Capital Assistance

Grant Application Information for Capital Assistance

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GRANT APPLICATION INFORMATION AND INSTRUCTIONS PACKAGE FOR STATE CAPITAL ASSISTANCE

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State Aid to Public Transportation Program Capital Assistance

- **Procedures for Applying for State Aid to Public Transportation**

  Forms and instruction for completing the forms to apply for State Aid can be found on the DRPT OLGA website at https://olga.drpt.virginia.gov. Instructions on how to use the OLGA System to submit your application to DRPT can be found at the link above and in the individual application files at the web site above. A brief description of all financial assistance programs administered by DRPT is found in the Overview of Financial Assistance for Public Transportation in Virginia Administered by DRPT.

  Applicants of Federal FTA Section 5311 Program funds do not need to complete this application.

- **Resolution Authorizing the Application**

  In order to ensure that local matching funds will be available to support all grant applications, a resolution from the governing board, council or commission of the grant applicant is required. The resolution must authorize the submission of the grant application and certify that all necessary local matching funds will be provided if the grant application is approved. A single resolution may be used to authorize all grant applications for the fiscal year. A sample resolution is provided in **APPENDIX A**.

- **Eligible Projects**

  State capital assistance is awarded to existing and prospective new providers of public transportation service in Virginia. Capital assistance is distributed among the approved projects on the basis of a uniform state participation ratio in the non-federal costs of all approved projects. Public transportation capital projects include improvements to or expansions of the physical plant of public transportation providers. Eligible capital expenses include items such as the purchase or lease of new vehicles and equipment, the rehabilitation of vehicles and equipment, the improvement or construction of transit maintenance and operations facilities, the purchase and installation of bus stop signs and shelters, the cost of debt service for major capital projects, and safety and security equipment. Most projects eligible for capital assistance under FTA guidelines will be eligible for State Aid capital assistance. Debt service on bonds issued by localities to finance capital projects is eligible for State Aid capital assistance. The Commonwealth Transportation Board shall approve an annual program of projects for public transportation capital grants and may stipulate further eligibility requirements for grants to be included in the annual program. The total project costs net of any federal aid received are eligible for reimbursement by grant funds. **APPENDIX B** contains additional information regarding eligible expenses, the use of cash and in-kind contributions as local match, and grant budget line item definitions.

  Capital projects that involve the purchase of vehicles for coordinated specialized transportation services for the disabled are eligible for a special sub-category of state financial assistance called the State Paratransit Capital Program. Projects that are eligible for the State Paratransit Capital Program will be identified by DRPT from among the state capital assistance applications received – grant applicants do not need to do anything special to be considered for this program.

- **Eligible Recipients**

  Local governing bodies

Transportation District Commissions
Public service corporations

- **Matching Ratio**

  While the maximum state participation ratio is 95% for state public transportation capital assistance the actual state matching ratio varies from year to year. The state matching ratio for State Paratransit Capital Program grants is 80%.

APPENDIX A - Sample Resolution Authorizing the Application for State Aid to Public Transportation

BE IT RESOLVED by the *(GOVERNING BODY OF APPLICANT)* that the *(DESIGNATED OFFICIAL OF THE APPLICANT)* is authorized, for and on behalf of the *(PUBLIC BODY APPLICANT)*, hereafter referred to as the, **PUBLIC BODY**, to execute and file an application to the Department of Rail and Public Transportation, Commonwealth of Virginia, hereafter referred to as the, **DEPARTMENT**, for a grant of financial assistance in the amount of $ _____ to defray the costs borne by the **PUBLIC BODY** for public transportation purposes and to accept from the **DEPARTMENT** grants in such amounts as may be awarded, and to authorize *(DESIGNATED OFFICIAL OF THE APPLICANT)* to furnish to the **DEPARTMENT** such documents and other information as may be required for processing the grant request.

The *(GOVERNING BODY OF APPLICANT)* certifies that the funds shall be used in accordance with the requirements of Section 58.1-638.A.4 of the Code of Virginia, that the **PUBLIC BODY** will provide funds in the amount of $ _____, which will be used to match the state funds in the ratio as required in such Act, that the records of receipts of expenditures of funds granted the **PUBLIC BODY** may be subject to audit by the **DEPARTMENT** and by the State Auditor of Public Accounts, and that funds granted to the **PUBLIC BODY** for defraying the expenses of the **PUBLIC BODY** shall be used only for such purposes as authorized in the Code of Virginia. The undersigned duly qualified and acting *(TITLE OF OFFICER)* of the **PUBLIC BODY** certifies that the foregoing is a true and correct copy of a Resolution, adopted at a legally convened meeting of the *(GOVERNING BODY OF APPLICANT)* held on the _____ day of _____, 20 ____.

If applicant has an official seal
(Official Seal goes here)

_____
(Signature of Recording Officer)

_____
(Title of Recording Officer)

_____
(Date)

APPENDIX B - Eligible and Non-eligible Expenses; Cash and In-Kind Contributions Guidelines; and Grant Budget Line Item Definitions

1. **ELIGIBLE CAPITAL EXPENDITURES**

Outlays that result in improvements, expansion, acquisitions or additions to fixed assets.

BUS SYSTEM CAPITAL EXPENDITURES

Bus Revenue Rolling Stock

Purchase Replacement Bus
Purchase Replacement Bus Commuter/Suburban
Purchase Replacement Bus Trolley
Purchase Replacement Vans
Purchase Replacement Sedan/Station Wagon
Purchase Replacement Ferry Boat
Purchase Spare Parts/Associated Capital Maintenance Items
Purchase Expansion Bus
Purchase Expansion Bus Commuter/Suburban
Purchase Expansion Bus Trolley
Purchase Expansion Van
Purchase Expansion Sedan/Station Wagon
Purchase Expansion Ferry Boat
Rehabilitate/Rebuild Bus
Rehabilitate/Rebuild Bus Commuter/Suburban
Rehabilitate/Rebuild Bus Trolley
Rehabilitate/Rebuild Ferry Boat
Lease Bus
Lease Bus Commuter/Suburban
Lease Bus Trolley

Bus Station Stops/Terminals

Engineer & Design Intermodal Terminal
Acquire Bus Stop Signs
Acquire Passenger Shelters/Benches
Construct Intermodal Terminal

Bus Support & Equipment Facilities

Engineer & Design Administration/Maintenance Facility
Acquire Shop Equipment
Acquire ADP Hardware/Software
Acquire Fare Collection Equipment (Mobile)
Acquire Support Vehicles
Acquire Miscellaneous Equipment
Construct Administration/Maintenance Facility
Rehab/Renovate Administration/Maintenance Facility
Lease Administration/Maintenance Facility

Bus Signal & Communications

Acquire Communication System
Acquire Miscellaneous Equipment (ITS for example)

Other Bus Capital Program Items

Third Party Contracting Costs
Acquire Real Estate

Lease Real Estate
Project Administration

RAIL SYSTEM CAPITAL EXPENDITURES

Rail Revenue Rolling Stock

Purchase Replacement Rapid Rail Car
Purchase Replacement Commuter Rail Car
Purchase Replacement Diesel Locomotive
Purchase Spare Parts/Associated Capital Maintenance Items
Purchase Expansion Rapid Rail Car
Purchase Expansion Commuter Rail Car
Purchase Expansion Diesel Locomotive
Rehabilitate/Rebuild Rapid Rail Car
Rehabilitate/Rebuild Commuter Rail Car
Rehabilitate/Rebuild Diesel Locomotive
Lease Commuter Rail Car
Lease Diesel Locomotive

Transit way Lines

Engineer and Design Line Equipment/Misc. Structures
Acquire Line Equipment/Misc. Structures
Construct Line Equipment/Misc. Structures
Rehabilitate/Rebuild Line Equipment/Misc. Structures
Lease Line Equipment/Misc. Structures

Rail Stations Stops/Terminals

Engineer and Design Rail Station
Acquire Rail Collection Equipment (Stationary)
Acquire Surveillance/Security System
Construct Rail Station
Rehabilitate/Renovate Rail Station

Rail Support & Equipment Facilities

Engineer and Design Administration/Maintenance Facilities
Acquire Shop Equipment
Acquire ADP Hardware/Software
Acquire Fare Collection Equipment (Mobile)
Acquire Support Vehicles
Acquire Miscellaneous Equipment
Construct Administration/Maintenance Facility
Rehabilitate/Renovate Administration/Maintenance Facility
Lease Administration/Maintenance Facility

Rail Signal & Communications

Acquire Train Control/Signal System
Acquire Communication Systems
Rehabilitate/Renovate Train Control/Signal System

Other Rail Capital Program Items

Third Party Contract Costs
Acquire Real Estate
Lease Real Estate
Project Administration

2. NON-ELIGIBLE EXPENSES

1.) Federal, state, or foreign income taxes.
2.) Fines or other penalties imposed by operation of law or legal process.
3.) Depreciation costs.
4.) Bad debts - any loses arising from uncollectible accounts and other claims and related costs.
5.) Contributions and donations.
6.) Litigation expenses including, but not limited to, attorney fees and costs. Legal expenses for retainer, review of contracts, etc., will be allowed so long as they are considered reasonable by DRPT. Litigation costs in public liability suits against the state or its agencies are unallowable.
7.) Interest and other financial costs **except for debt service, the interest component of lease expenses, and loans previously approved by DRPT.** Interest on borrowing, however, represented, bond discounts, costs of financing and refinancing operations, and legal and professional fees paid in connection therewith are unallowable.
8.) Entertainment, cost of amusement, social activities and incidental costs relating thereto, including meals, beverages, lodging, rentals, transportation and gratuities.
9.) Non-administrative labor expenses.
10.) Wages and fringe benefits of any labor related operating expenses such as vehicle operators, vehicle and non-vehicle maintenance workers, cleaners, etc.
11.) Labor costs associated with contracted repairs of vehicles and related equipment.

3. CASH AND IN-KIND CONTRIBUTIONS

Cash and In-kind Contributions shall be accepted as part of the grantee matching share when they meet the following criteria:
1.) They are verifiable from the grantee's records as a cost borne by the grantee.
2.) They are not included as contributions for any other state assisted program.
3.) They are necessary and reasonable for proper and efficient accomplishment of project objectives.
4.) They are types of charges allowed under state laws and regulations.
5.) They are not paid for by the state under another assistance agreement unless authorized under the other agreement and the laws and regulations it is subject to.
6.) They are provided for in the approved budget when required by the Department.
7.) They conform to other provisions of this Grant Application Package.

Values for grantee in-kind contributions will be established at the grantee's actual cost. Specific procedures for the grantees in establishing the value of in-kind contributions from third parties (not state and federal sources) are set forth below:

1.) Valuation of donated expendable personal property - Donated, expendable personal property includes such items as expendable equipment and supplies for office laboratory, workshop, or classroom. Values assessed to expendable personal property included in the cost or matching share should be reasonable and should not exceed the fair market value of the property at the time of donation.

2.) Valuation of donated, non-expendable personal property, buildings, land and level or use thereof - The method used for charging matching share for donated non-expendable personal property, buildings, and land may differ depending upon the purpose of the grant as follows:

- If the purpose is to furnish equipment, buildings or land to the grantee or otherwise provide a facility, the total value of the donated property may be claimed as a matching share.

- If the purpose of the grant is to support activities that require use of equipment, buildings or land on a temporary or part-time basis, use charges for equipment and buildings may be made. The full value of equipment or other capital assets and fair rental charges for land may be made, provided the Department has approved the charges. The value of donated property will be determined in accordance with the usual accounting policies of the grantee with the following qualifications.

  a.) Land and buildings - The value of donated land and buildings may not exceed its fair market value, at the time of donation to the grantee as established by an independent appraiser and certified by a responsible official of the grantee.

  b.) Non-expendable personal property - The value of donated, non-expendable, personal property shall not exceed the fair market value of equipment and property of same age and condition at the time of donation.

  c.) Use of space - The value of donated space shall not exceed the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in a privately-owned building in the same locality.

  d.) Loaned equipment - The value of loaned equipment shall not exceed its fair rental value.

In-kind contributions must be used as match only in the years they are earned. Cash contributions can be carried over from year to year.

The basis for determining the valuation for personal services, materials, equipment, buildings, and land must be documented and retained in the agency's records. Rebates, discounts, and special purchasing incentives, such as "buy one, get one free," cannot be considered in-kind services.

In summary, **In-Kind Contributions can only be used as local match when:**

1.) There is a verifiable cost borne by the local government for the service, and

2.) The service is contributed by the local government to the public transportation program.

Donations of service from the private sector are not eligible as a match for state funds.

4. DEFINITIONS OF GRANT BUDGET LINE ITEMS

This list of budget line items often used in state and federal public transportation grant budgets. A brief description is provided for some of the line items that are not self-explanatory. This is an abbreviated list and is not intended to be exhaustive. If you would like a more detailed list of budget line items, please contact the grant manager.

REVENUES

The revenue codes include all revenues accrued to the benefit of the project due to the activity of the specific designated department or function.

TAXES

Taxes dedicated to transit.

FEDERAL FUNDS

Funds from federal agencies for specific projects agreed to by contract with the grantor.

STATE FUNDS

Funds from state agencies for specific projects agreed to by contract with the grantor.

LOCAL FUNDS

Funds from local entities for specific projects, generally for the purposes of maintaining ratios for administrative, operating, capital or other expenditures by contract.

Local Cash

Funds from local governments in cash.

Local In-Kind

Services or items given the specific project with an assigned equivalent dollar amount, generally for matching purposes.

SERVICE CHARGES

Service charges billed to and paid by the entity receiving the service.

Contract Revenue

Revenue generated by the provision of service with an entity under contract for such services.

Passenger Fares

Amounts charged to customers on a regular basis for service.

Charter Service

Amounts charged to customers for group transportation, which is not covered by a particular contract.

Advertising Service

Amounts charged to customers for space to be made available for advertising purposes.

SALE OF ITEMS

Amounts collected from the sale of various items such as materials, scrap, vehicles, and fixed assets.

CONTRIBUTIONS and DONATIONS

Amounts and in-kind services freely given to a specific project for its operations and not as a result of services rendered.

OTHER REVENUE

Any other revenue received by a specific project, which is not chargeable to another project.

EXPENDITURES

PERSONAL SERVICES

Expenditures for personal services include all compensation to permanent, temporary employees and their corresponding staff benefits.

Salaries and Wages

Fringe Benefits

Education and training (business related)

Other

SUPPLIES AND MATERIALS

Include commodities that are consumed within a relatively short period or the use of which results in a material change in, or an appreciable impairment of their physical condition. It also includes all articles or substances in a natural, prefabricated or manufactured state that are either used for current purposes or processed in the construction or manufacture of articles.

Cleaning Supplies

Educational and First Aid Supplies

Includes classroom supplies for instructional purposes, examination supplies, first aid kits, etc.

Vehicle Supplies and Materials

Tangible maintenance and operating resources for use and preservation of motor vehicles.

Motor Fuels and Materials
Tires and Tubes
Parts
Electric propulsion
Vehicle Signs and Painting Supplies
Office Supplies and Materials
Office supplies and non-capital office furniture and equipment.
Data Processing Supplies
Tools and Machinery
Other

OBLIGATIONS AND SERVICES

All payments for operation and maintenance services rendered by firms or individuals. Examples belonging to this group include travel, communication, utilities, printing, etc.

Travel
Reimbursement of employees when traveling on business for the specific project or related areas.
Communication Services
The cost of communications, including phones, fax, postage, etc.
Utilities
Heat, lights, power, water and sewer expense for project buildings, other facilities, and equipment.
Printing and Reproduction
Contracted Repairs (buildings, vehicles, equipment, etc.)
Advertising and Promotion Media
Includes advertising and publicity in newspaper, radio, video, magazines and related items.
Data Processing
Management Fee
Other Obligations and Services

FIXED CHARGES AND SERVICES

Includes payments for rentals, insurance, pensions, benefits and other current expense.

Rental of Real Property
Cost of the acquisition of the use of space not owned by the specific project.
Rental of Data Processing Equipment
Rental of Equipment
Cost of use of all equipment not owned by the specific project.
Service and Maintenance Contracts
Cost of contracts, covering specific periods of time for maintenance of owned or otherwise controlled equipment.
Insurance and Bonding
Cost of insurance on property or against specific or general liabilities of the project.
Indirect Costs
Amounts charged to the project for function on account of general and administrative services under a central or departmental indirect cost plan. Indirect cost plans are subject to prior approval by DRPT.
Professional Services
Retainer fees and expenses paid to professionals, not employees of the specific project for their special expertise. Includes accounting, legal, A/E, management and marketing services.
Other Fixed Charges (Dues and subscriptions, taxes and licenses, etc.)

CONTRACTS, GRANTS, SUBSIDIES AND ALLOCATIONS

This category includes all expenditures of monies appropriated by the specific project

to any other entity.

Purchased Transportation Services

Charter Services

DEBT SERVICE

Amounts paid for principal, interest and service charges on funded debt owned by the project.

BUDGETARY ACCOUNTING ONLY - Contingency (Capital)

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The Smartest Distance Between Two Points